

**PROPOSAL FOR THE
RE DEVELOPMENT OF
RENAISSANCE CENTER
PHILLIPS AVENUE
GREENSBORO, NC**



DEVELOPMENT TEAM

George Carr -- 336-337-5001

Vernon Powell -- 336-337-5940 -- North Carolina Real Estate Broker #108859

Patrick Theismann -- 336-337-5007

Beacon Management -- Developer of Affordable Housing

Federal Tax ID #

408 Battleground Ave.

Greensboro, NC 27401

Carr-Powell Properties, LLC -- Real Estate Partnership started by Vernon Powell and George Carr

Federal Tax ID #56-2023035

2100-D W. Cornwallis Dr.

Greensboro, NC 27408

Sabre Capital of Greensboro, Inc. -- North Carolina Corporate Real Estate Firm #C8028

Federal Tax ID #56-1830289

2100-D W. Cornwallis Dr.

Greensboro, NC 27408

Carolina Healthcare Initiatives, LLC

Federal Tax ID #06-1733148

Department Of The Treasury -- Community Development Entity; #05NMC002142

2100-D W. Cornwallis Dr.

Greensboro, NC 27408

NARRATIVE

The Development Team was chosen by East Market Street Development Corp in the later part of 2011 to re-develop the Bessemer Shopping Center at the corner of Phillips Ave and Woodbrier Dr. in Greensboro, NC.

On November 1, 2011, the Development Team was approved by Council vote 7-1 to re-develop the Bessemer Shopping Center into a new, vibrant community oriented shopping area. The Development Team received a commitment from the City to offer a no interest 40 year loan of \$1,085,000, allocating \$400,000 to the purchase of the land the center is on with an additional \$685,000 for renovations of the Center and Site Improvements. Conditions of the Development plan included an additional \$1,000,000 in conventional funding and the new Plaza be committed for a minimum of 75% of the available space. Family Dollar Stores is and was the only Tenant in the Plaza and are in place with a very favorable rent structure to them and they have an exclusive arrangement to not allow certain "discount or dollar stores" in the Plaza. The Council minutes, the general term sheet submitted, and the media announcement are enclosed as Exhibit A.

Potential Tenants were immediately contacted including Sav-A-Lot, a Fortune 200 Company, Aldi's, Compare Foods, Lowe's Foods, Bottom Dollar, Merchant's Distributors, Food Lion and several additional national grocer chains. Initial interest was expressed from Sav-A-Lot and Food Lion and we obtained a Letter of Intent from Sav-A-Lot to locate a 15,000 square foot full service grocery store in the former Winn-Dixie location. Continued discussions were on going with Food Lion. Enclosed as Exhibit B is the Letter of Intent from Sav-A-Lot with an email expressing interest from Food Lion.

Significant concentration was placed on obtaining a full service Grocer as numerous meetings with the Community and City Staff indicated that the number one priority was to locate a full service Grocer to the Plaza. After several meetings with conventional lenders who were interested in financing the Development, we determined that a high credit worthy chain such as Food Lion or Sav-A-Lot was critical in the Tenant mix.

The Development Team also visited with other potential Tenants, most of which indicated that their interest would lie after the Grocer was secured. Variety Wholesalers, the parent organization of Roses Stores verbally committed to a 15,000 square foot store, with a minimum of 50% dedicated to a full line of groceries. A representative group from Council, Staff, and the Development Team visited with Family Dollar to request a waiver from their exclusive agreement, which was denied.

Continued efforts and meetings were held with Management of Triad Adult and Pediatric Medicine and Cone Health to establish a 10,000 square foot geriatric and pediatric medical center in the Center and the idea was approved and funding agreed to by Cone Health CEO Tim Rice. Meetings were held on site with Brian Ellerby, head of

TAPMED in the Library and much enthusiasm and willingness was shown. A Term Sheet was provided to TAPMED and is also included under Exhibit B.

Beginning during the final quarter of 2012 and continuing to date, at the request of Staff, The Development Team has proposed a new approach to the Development and have presented such to Staff and Council. With the difficulties encountered in marketing the Center and the realization that, without signed Tenants, conventional financing will be impossible to obtain, we have made a recommendation to Council and Staff to re-develop the Center immediately and retain ownership. The benefits are included in this presentation with budgets both previous and current.

On December 18, 2012, Council reconsidered the development plan and agreed to re-direct to funding the requested \$685,000 for site, sign and facade improvements and to move forward with the revised plan. The Development Team has continued the process to move the Development forward under the "New Proposal". The minutes of the Council meeting are included under Exhibit A

NEW PROPOSAL

- Begin the re-development of the “new” Renaissance Center immediately under the following timeline:
 1. Preparation of Architectural and Site Design, construction documents, and building permits: 90 Days
 2. Start-Completion of Construction: 180 Days
- Continue active discussions with potential Tenants including:
 1. Grocery Stores -- Term Sheet in place with locally owned Grocer who has committed to a 5,700 square foot full service grocery store
 2. The Development Team has met with the group proposing The Renaissance Co-Op Grocery Store on several occasions as well as the Community Groups in support of the re-development of the Center into Renaissance Center. We have provided support and endorsement of the concept and have offered assistance to the Co-Op for obtainable financing.
 3. We continue to have discussions with potential national chains including Wal-Mart Neighborhood Markets
 4. We have a commitment from a Community Sponsored Thrift Store in the Center.
 5. We have interest from a full service attended laundry mat.
 6. We continue discussions with Cone Health and Tap Med for a Community based Medical Facility.
 7. Continued discussions with pharmacies including Rite Aid.
- The Development Team will implement a financially feasible re-development plan maintaining the integrity of the City’s intention of a “master development” of the surrounding area.
- The City of Greensboro will offer the financing to begin the re-development immediately and The City of Greensboro will retain the ownership and control of the Center and Real Property.
- Substantial architectural, interior, and site design work is complete and implementation of the plan could begin immediately.
- A Construction budget is provided as Exhibit C of this proposal. The Development Team would be paid a development fee of 10% of the completed construction costs. New improvements would include:

1. New Parking Lot; the existing asphalt would be completely removed and the site re-graded and completed with new asphalt and striping.
2. New Landscaping with green space included.
3. Large planting in front of new building.
4. New towers at the end of the Center.
5. New Exterior lighting would be installed by Duke Energy with LED efficiency and energy savings included.
6. The existing building would be stripped and new brick throughout and new glass framed storefronts would be installed.
7. New mechanical systems, new electrical systems, and new plumbing systems would be installed throughout.
8. A new roof would be installed.
9. New concrete sidewalks easily accessible.
10. New large pylon sign at the entrance on Phillips Ave.
11. Maximum flexibility with new building to allow Tenant up-fit at minimal cost. Should City elect to move forward with proposed Renaissance Co-Op significant savings could be implemented with construction.
12. The revised elevations and color renderings are included under Exhibit C.

- The Development Team strongly agrees that this proposal to the City is the fastest, least costly, and most efficient method to transform the former Bessemer Center to The Renaissance Center and prepare it to receive the Tenants the Community has requested and deserves.

Respectfully Submitted:

Vernon B. Powell

George E. Carr

Patrick Theismann

EXHIBIT A

- 1. ORIGINAL TERM SHEET**
- 2. MINUTES OF COUNCIL 11/1/11**
- 3. MEDIA RELEASE**
- 4. MINUTES OF COUNCIL 12/18/12**

TERM SHEET

To: City of Greensboro

Borrower/
Developer: New Bessemer Associates (Proposed) A Limited Liability Company
consisting of Beacon Management and Carolina Healthcare Initiatives

George Carr
Beacon Management Corporation
Federal Tax ID #56-1244308
408 Battleground Ave.
Greensboro, NC 27401

Vernon Powell
Carolina Healthcare Initiatives, LLC
Federal Tax ID #06-1733148
Community Development Entity
Department Of The Treasury -- CDE #05NMC002142
2100-D W. Cornwallis Dr.
Greensboro, NC 27408

Amount: Approximately \$685,000 plus \$400,000 for the allocated Fair Market Value of the land as established by the appraisal value deducting the consideration given to restrictions placed on the use of the land.

Type: Land Assumption, construction loan converting to a fully amortized loan

Use of
Proceeds: To assist in the development and construction of the existing Shopping Center.

Property: Part (to be divided) of a 9.7 acre tract located at 2515-2523 Phillips Ave. in Greensboro, NC. with improvements.

Appraisal: The appraisal is complete and has been received.

Collateral: A second deed of trust on subject property.

Repayment: The construction loan will not close until occupancy at the new proposed center reaches a minimum of 75% as provided in the submitted pro forma. Repayment will be made on the 0% 1 year construction loan under a 40 year amortization schedule. The construction loan will be converted into a 40 year fully amortized loan at an interest rate of 0%. Payments made after the 5th of the month will be considered late and incur a late fee of the lesser of 2.5% of the payment or \$100. If, at any time, occupancy falls below 75% then payments will be deferred until stabilization.

ADDITIONAL PAYMENTS: **IN ADDITION**, borrower will pay to the City as interest payments 20% of any distributions made to Members AND 20% of any gains realized upon the sale or re-financing of the First Deed of Trust.

Prepayment: Allowed

Advances: City of Greensboro will distribute funds as work is completed.

Closing Costs: Paid by Borrower for Borrower's attorney but allowable as an amortizable Cost. City to bear costs of City's attorney and will submit documents in draft form for Borrower's counsel.

Conditions: Firm commitment from Financial Institution of a minimum of \$1 million or 50% of total development costs under terms agreeable to developer.

Acceptance of improvements (building) clean of any environmental issues.

Acceptance of a bondable construction contract with reputable builder.

Acceptance of existing lease agreement with Family Dollar Store, new Lease Agreement with Sav-A-Lot, and acceptance of a new Lease Agreement with a to be named party to bring center to an occupancy Level of a minimum of 75%.

A negotiated lease with City for parking spaces used by the Library and access easement agreement. Projected lease approximately \$24,000 annually which would include TICAM charges and consideration for assignment of Family Dollar Lease (without TICAM charges)

Improved Public Transportation station in place at or near existing station.

IF THESE GENERAL TERMS ARE AGREEABLE TO THE PARTIES, PLEASE INDICATE SO BY SIGNING AND A FORMAL COMMITMENT LETTER WILL BE PREPARED AND PRESENTED WITHIN 5 BUSINESS DAYS

Beacon Management Corporation

By: _____
GEORGE C. CARR DATE

Carolina Healthcare Initiatives, LLC

By: _____
VERNON B. POWELL DATE

City of Greensboro

By: _____
DATE

- ▶ Creating up to 22 new jobs.
- ▶ Average salary of new jobs is estimated at \$37,818 per year (\$51,054 inclusive of full benefits valued at approximately 35% of salary).
- ▶ Investing \$11,673,664 in their existing local facility
 - Up to \$7,041,565 in new machinery and equipment.
 - Up to \$4,631,334 in real property improvements.

Economic Impact Analysis

- ▶ Based on:
 - Adding up to 22 Jobs by 2014.
 - \$11,673,664 Capital Investment.
 - Encouraged to hire locally and to use local contractors/vendors.
- ▶ Projected 3 Year Impact on the Guilford County/Greensboro Economy is:
 - \$47.4 to \$54.2 Million.
 - Support of 51 to 69 total jobs.
- ▶ September 2011 Unemployment Rates:
 - Greensboro 10.1% (13,065 Citizens)
 - Guilford County 10.5%.

Expected Return on City's Investment

- ▶ City of Greensboro property tax revenue is projected to be \$200,567 over the three year period following the capital investment.
- ▶ City should realize incremental sales/use tax revenue of approximately \$69,056 in the first three years associated with the purchase of new machinery, equipment, operating supplies, and construction materials, based on the current sales tax formula.
- ▶ Grant should be recaptured through incremental property taxes alone within approximately 3 years.

Corporate History

- Coilplus, Inc. currently has 9 plants strategically located around the US and a sister company, Nicometals in Mexico.
- The company has had a facility in Greensboro since 2005.
 - 38 employees
 - Local facility was expanded from 57,000 sq. ft to 78,000 sq. ft. in 2007 with no request for incentives.

Recommendation

- ▶ \$160,453 incentive grant.
 - 80% of the projected incremental property tax revenue for a three year period.
- ▶ Paid out over three consecutive years after the new jobs have been created and the capital investment completed.
- ▶ Execution of Performance-Based ED Incentive Grant Agreement.

Vice President of Economic Development Alliance Kathy Dubel provided information on Coilplus production; breakdown of employees residing in the City and the County; and stated that the incentive would bring new jobs and investment to the area.

General Manager of Coilplus Bill Hudson provided a PowerPoint presentation which outlined Coilplus' locations throughout the United States; ownership history and growth of the company; Greensboro customer base and key customers; statistics for the existing Greensboro facility; employment benefits and opportunities; community involvement; statistics and photographs of the proposed facility expansion and products; and the attributes of the company as a result of the incentive award. Mr. Hudson stated the company would be open to hiring ex-offenders.

Councilmember Matheny moved to close the public hearing. The motion as seconded by Councilmember Bellamy-Small and adopted by voice vote of Council.

Councilmember Bellamy-Small moved adoption of the resolution. The motion was seconded by Councilmember Matheny; the resolution was adopted on the following roll call vote: Ayes: Bellamy-Small, Kee, Knight, Matheny, Perkins, Rakestraw, Thompson, Vaughan, and Wade. Noes: None.

251-11 RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT INCENTIVE GRANT FOR COILPLUS, INC. NOT TO EXCEED \$160,453

WHEREAS, on May 17, 2005, the City Council adopted New Economic Development Guidelines whereby the City may participate financially in the development of certain private improvements to promote economic development in accordance with the Guidelines, the exception authorized by Council, and NCGS Section 158-7.1;

WHEREAS, the company is evaluating an investment in new real property improvements and machinery and equipment on an existing site that the company owns in Greensboro;

WHEREAS, the Company has requested that the City provide for a grant reimbursement for the real property improvements and equipment being acquired for the facility they are considering constructing which amount of participation is presently estimated at no more than \$160,453 based on a portion of anticipated new sales and property taxes to be derived by the City and new employment upon completion of the project;

WHEREAS, it is further anticipated that the Company will invest nearly \$11.67 million dollars in capital, retain 38 existing jobs and create up to 22 new jobs over the next four years (by October 31, 2015);

WHEREAS, City Council authorizes an exception to the Economic Development Program Financial Assistance Guidelines Minimum Eligibility Criteria (1) (b) to allow this existing business 48 months to create 22 net new jobs based on the increased commerce, enhanced viability and likelihood of retaining this existing business, and public benefit to be derived from the creation of this new employment in the City of Greensboro to include enhanced sales and ad valorem tax revenues and increased business prospects for the City and surrounding area;

WHEREAS, the site that would be expanded is located at 426 Chimney Rock Road in the City limits of Greensboro;

WHEREAS, the addition of 22 new jobs paying an average wage of approximately \$37,818 per year with benefits valued at 35% of the average annual wage, and the retention of 38 existing jobs are expected to generate public benefit by positively impacting the City's ad valorem and sales tax revenues in addition to increasing business prospects for the City and surrounding area, City Council authorizes an Economic Development Incentive Grant of up to \$160,453 if the company chooses to expand in the City of Greensboro;

WHEREAS, a public hearing was held in accordance with N.C.G.S. 158-7.1 setting out the particulars of the request and the public benefits to be derived from said improvements;

WHEREAS, it is deemed in the best interest of the City to enter into a participatory agreement with the Company to share the cost of the above mentioned improvements whereby the City shall reimburse the company up to a maximum of \$160,453 for real property improvements and machinery and equipment costs based on a portion of new anticipated taxes to be received from the new project and upon the creation of new employment. The grant shall be paid after the jobs are created, the capital investment has been made and all has been confirmed with the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That in accordance with the City's Economic Development Incentive Guidelines, the exception authorized by Council, and pursuant to N.C.G.S. 158-7.1, a grant reimbursement and participatory agreement between the City of Greensboro and the Company not to exceed \$160,453 for up to \$11,673,664 Million of new capital investment, the retention of 38 existing jobs and the creation of 22 new jobs over the next 4 years is hereby approved, and the Mayor and City Clerk are hereby authorized to execute, on behalf of the City of Greensboro, the proper agreement.

(Signed) T. Dianne Bellamy-Small

(A copy of the PowerPoint presentation made by Mr. Hudson is filed in Exhibit Drawer T, Exhibit No. 20, which is hereby referred to and made a part of these minutes).

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Mayor Knight stated this was the time and place set for a public hearing to consider a resolution accepting the New Bessemer Associates, LLC offer to purchase the portion of the Bessemer Shopping Center property located at 2521-2523 Phillips Avenue; approving the request for an economic development loan, authorizing the execution of a loan agreement in the amount of \$685,000 plus fair market value of the divided land with a subordination agreement for said loan, and authorizing a development agreement between the City of Greensboro and New Bessemer Associates, LLC.

Councilmember Thompson asked to be excused from the discussion and vote due to an indirect conflict of interest.

Councilmember Kee stated he wished to have discussion on the item and made a motion to table the item.

Mayor Knight stated a motion needed to be made to excuse Councilmember Thompson.

Councilmember Kee made a motion to excuse Councilmember Thompson. The motion was seconded by Councilmember Rakestraw.

Council discussion took place on the motion to excuse Councilmember Thompson which included abstention by Councilmember Thompson after submission of questions about the project to staff; Interim City Attorney Tom Pollard's opinion that had been provided to Council; and potential conflicts of interest of Councilmembers.

Councilmember Perkins requested a resolution on the issue of a Councilmember recusing oneself; and referenced the responsibility of members to vote unless they had direct financial interest in an item.

City Manager Rashad Young responded to Council's concerns.

Mayor Knight clarified the background of the item.

Councilmember Kee stated that the questions had been presented in a meeting with the developer, Councilmember Thompson, Mayor Knight and himself on September 21, 2011; that no staff members were present; and expressed the need to table the item.

Councilmember Thompson stated that he had made phone calls Monday to staff and Beacon Management; that his questions were solely for his edification to get to the issue of his conflict of interest; and confirmed that he had a current business relationship with Beacon Management.

Council discussion continued regarding determination of conflicts of interest by members; the strength of the law on the affects of a direct conflict of interest; respect of fellow Councilmembers; and the honor system of Council.

Councilmember Wade called the question.

The motion to excuse Councilmember Thompson was adopted on the following roll call vote: Ayes: Bellamy-Small, Kee, Knight; Matheny, Perkins, Rakestraw, Vaughan, and Wade. Noes: None. In Abstention: Thompson.

Councilmember Thompson left the Chamber at 6:30 p.m.

Councilmember Kee withdrew his motion to table the item.

Senior Housing and Community Development Planner Dyan Arkin made a PowerPoint presentation which provided the location of the site; redevelopment proposal of New Bessemer Associates, LLC; proposed redevelopment subdivision plan and tenants for Bessemer Center; and the proposed economic development loan which included the contingencies for execution of said loan.

Mayor Knight stated there were several speakers to the item.

George Hartzman, 2506 Baytree Drive, spoke to the potential conflict of interest of Councilmembers as a result of campaign contributions; made reference to a previous Council vote to grant a loan to a limited liability company in which a County Commissioner had been a partner; and the principals of Beacon Management.

Brief discussion took place regarding the open process of campaign financing; disclosure of contributions made to Councilmember campaigns; and the availability of limited liability company information on the State's website.

Mac Sims, 601 East Market Street, voiced support of the staff proposal and the endeavor; importance in having a developer interested in moving forward with the project; stated that there was a major grocery store interested in space in the shopping center; the importance in revitalizing a shopping center surrounded by residential activity; and commended the Northeast Greensboro Concerned Citizens for its organization and participation in the revitalization project.

George Carr, 2310 Princess Ann Street, owner of Beacon Management, provided the history of community development of Beacon; stated that Carolina Healthcare Initiatives, LLC was a prospective tenant; importance in revitalization in the neighborhood; that the Center was still short one tenant; that the venture had been carefully structured to fit the community needs; outlined improvements to the Center; assured Council that no city funding would be utilized until the Center had commitments for the lease of 75% of the space; and that the project would bring approximately 40 full and part time jobs to the area.

Councilmember Wade made a motion to close the public hearing. The motion was seconded by Councilmember Matheny and adopted by voice vote of Council.

Councilmember Kee voiced the importance in making a 'non-revenue producing' project 'revenue producing' and one that would create jobs; and thanked Council in moving the project forward.

Councilmember Bellamy-Small commended Mr. Carr for his vision and interest in East Greensboro; voiced the importance of walkability, infill, and investment in the area; and the need to be supportive of the project.

Mr. Carr stated that he did not know when Winn Dixie moved out of the center; and confirmed that Sav-A-Lot had a number of stores in the area which he had visited; and that they appeared to be a stable company.

Councilmember Wade voiced concern with how the \$600,000 loan would be repaid; reduced rate for rent to Family Dollar; that an appraisal for the property had not been received; prematurity in granting said loan; asked if an Request for Proposal had been done on the project; and what the collateral would be.

Ms. Arkin, Mr. Carr and Assistant City Manager Andy Scott responded that Family Dollar did receive a reduced rate for rent but that it was not substantial; the an appraisal was in progress; that the bank had underwritten the first loan; that Sav-A-Lot would replace the reduction in rent by Family Dollar; that the City loan would be in second position; there was sufficient cash to carry the debt; and that the loan would not be made until 75% of the Center was preleased.

Councilmember Perkins commended Mr. Sims and Beacon Management for their tenacity in staying with the project; stated it would be a good compliment to the McGirt Horton Library; and the importance of Council endorsement and encouragement for the project.

Councilmember Bellamy-Small expressed support for Assistant City Manager Scott's experience; and expressed the importance in being fair and equal when providing incentives for the community.

Councilmember Matheny voiced support for the project which would bring revenue to the City; stated that the parking lot would need to be upgraded; and that it would be good for the entire grid.

Councilmember Rakestraw expressed concerns with not having a current appraisal; and a potential conflict of interest with involved stakeholders.

City Manager Rashad Young clarified that there was no potential conflict of interest; and that conditions would need to be met prior to granting the loan.

Councilmember Kee called the question. The motion to call the question was seconded by Councilmember Matheny.

Councilmember Kee moved adoption of the resolution. The motion was seconded by Councilmember Bellamy-Small and adopted on the following roll call vote: Ayes: Bellamy-Small, Kee, Knight, Matheny, Perkins, Rakestraw, and Vaughan. Noes: Wade. In Abstention: Thompson.

252-11 RESOLUTION AUTHORIZING SALE OF A PORTION OF THE LAND AND IMPROVEMENTS AT 2521-2523 PHILLIPS AVENUE; PROVISION OF AN ECONOMIC DEVELOPMENT LOAN TO NEW BESSEMER ASSOCIATES LLC, FOR NEW INVESTMENT IN BUILDING AND SITE IMPROVEMENTS AT THE BESSEMER SHOPPING CENTER TO INCREASE THE CITY'S AD VALOREM AND SALES TAX REVENUES AND TO INCREASE BUSINESS PROSPECTS FOR PHILLIPS AVENUE, THE CITY, AND SURROUNDING AREA; AND EXECUTION OF A SALES/DEVELOPMENT AGREEMENT WITH NEW BESSEMER ASSOCIATES LLC FOR THE RENOVATION OF THE BESSEMER SHOPPING CENTER

WHEREAS, New Bessemer Associates ("New Bessemer"), a Limited Liability Company consisting of Beacon Management, Carolina Healthcare Initiatives, and East Market Street Development Corporation, is proposing to invest in and renovate the Bessemer Shopping Center at 2521-2523 Phillips Avenue with a project budget of \$2,085,000;

WHEREAS, New Bessemer has offered to purchase approximately 5.35 acres of the 9.7±-acre Bessemer Shopping Center property at 2521-2523 Phillips Avenue from the City of Greensboro for the Fair Market Value;

WHEREAS, the renovated building will contain a grocery store, existing tenant Family Dollar Store, and other retail and/or service establishments as agreements with tenants are reached and it anticipated that 20± full- and part-time permanent jobs will be created by the grocery store at an average wage of \$10 or \$11 per hour and that additional permanent jobs with potentially higher wages will be created by other tenants;

WHEREAS, New Bessemer LLC has requested the City consider an economic development incentive loan of \$685,000 plus the Fair Market Value of the divided land, with the Fair Market Value of the land to be paid at closing;

WHEREAS, loan funds shall be used for the purpose of financing the sales price of the land and improvements to the existing building and site;

WHEREAS, the loan will be secured by an interest-free Note and second Deed of Trust on the divided property located at 2521-2523 Phillips Avenue to be amortized over 40 years;

WHEREAS, should New Bessemer fail to perform according to the terms set out above, the City shall have recourse in the form of acceleration of the Note or repossession;

WHEREAS, New Bessemer proposes to enter into a Sales/Development Agreement with the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the sale of approximately 5.35 acres of the property located at 2521-2523 Phillips Avenue for Fair Market Value is hereby approved.

That an economic development loan in the amount of \$685,000 plus Fair Market Value of the land in the form of an interest-free Note and Deed of Trust amortized over 40 years and subject to the terms and conditions outlined above is hereby approved.

That the City is hereby authorized to enter into a Sales/Development Agreement for redevelopment of the Bessemer Shopping Center.

(Signed) Jim Kee

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Councilmember Matheny made a motion to adjourn to closed session pursuant to GS 143-318.11(a) (4), to discuss matters relating to the location or expansion of industries or other businesses in the Greensboro area. The motion was seconded by Councilmember Perkins and adopted by voice vote of Council.

City Council adjourned to closed session at 7:23 p.m.

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City Council reconvened at 8:00 p.m. with all members in attendance.

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Mayor Knight introduced an ordinance in the amount of \$6,690,116 amending the Technical Services Capital Project Fund (688) for the multi-year transition to the P25 Radio Platform.

Being no discussion, Councilmember Bellamy-Small moved adoption of the ordinance. The motion was seconded by Councilmember Matheny; the ordinance was adopted on the following roll call vote: Ayes: Bellamy-Small, Kee, Knight, Matheny, Perkins, Rakestraw, Thompson, Vaughan, and Wade. Noes: None.

11-189 ORDINANCE AMENDING THE TECHNICAL SERVICES CAPITAL PROJECT FUND (688) FOR THE MULTI-YEAR TRANSITION TO THE P25 RADIO PLATFORM

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

Section 1

That the Technical Services Fund (681) is hereby amended as follows:

That the appropriations be increased as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
681-3904-04.6688	Transfer to Technical Services Capital Project Fund	<u>\$5,297,066</u>
TOTAL:		<u>\$5,297,066</u>

And, that this increase be financed by increasing the following Technical Services Fund accounts:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
681-0000-00.8900	Appropriated Fund Balance	<u>\$5,297,066</u>

TOTAL: \$5,297,066

Section 2

That the Technical Services Capital Project Fund (688) is hereby amended as follows:

That the appropriations be increased as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
688-3901-01.6059	Other Capital Equipment	<u>\$5,297,066</u>
TOTAL:		\$5,297,066

And, that this increase be financed by increasing the following Technical Services Capital Project Fund accounts:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
688-3901-01.9681	Transfer from Technical Services Fund	<u>\$5,297,066</u>
TOTAL:		\$5,297,066

Section 3

And, that this ordinance should become effective upon adoption.

(Signed) T. Dianne Bellamy-Small

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Mayor Knight introduced a resolution approving contract with Motorola Solutions, Inc. for the upgrade of the existing 800MHz radio network.

Being no discussion, Councilmember Bellamy-Small moved adoption of the resolution. The motion was seconded by Councilmember Matheny; the resolution was adopted on the following roll call vote: Ayes: Bellamy-Small, Kee, Knight, Matheny, Perkins, Rakestraw, Thompson, Vaughan, and Wade. Noes: None.

253-11 RESOLUTION APPROVING CONTRACT WITH MOTOROLA SOLUTIONS, INC. FOR THE UPGRADE OF THE EXISTING 800MHZ RADIO NETWORK

WHEREAS, the Motorola 4.1 platform was originally installed in the late 1990's and the "Z" or final release of its operating software and equipment was introduced in 2004;

WHEREAS, certain key equipment and components of the dispatch/radio system will reach end of support in 2013 while others will reach end of support in 2016;

WHEREAS, the potential lack of parts and support poses a significant risk for both the system itself as well as its users which include the City of Greensboro and Guilford County's public safety departments;

WHEREAS, the planned multi-year equipment transition will cost approximately \$27 million dollars, take four to five years to complete, will allow the City to make incremental investments, take advantage of regional partnership opportunities, and lessens the risk of equipment failure;

WHEREAS, it is critical to begin these efforts now due to the imminent end of support for the current technology, the amount of time needed to migrate to the new technology, prepare support structures and complete agreements;

Council OKs Bessemer center sale

Greensboro City Council offers a conditional loan to the developers to help with the purchase and renovations.

By AMANDA LEHMERT
Staff Writer

GREENSBORO — The City Council made what could be a \$1 million investment in northeast Greensboro on Tuesday night. If it pays off, the Phillips Ave-

nue area will get a long-awaited revitalization.

Council members agreed Tuesday to sell the Bessemer Shopping Center to a new limited liability company, New Bessemer Associates, which will renovate the space and attempt to attract new businesses to it. The council will provide the company with a 40-year, no-interest loan to cover \$685,000 worth of renovations and the cost of the property, which city staff estimates is

INSIDE: See a site plan proposal for the shopping center. **A4**

about \$400,000.

Council members applauded the redevelopment effort, which comes more than a decade after residents

fought Winn-Dixie's departure from the shopping plaza.

Supporters of the project called it another step toward revitalizing the area.

"Usually when we get one person to invest, others say, 'OK, this is a good place to be,'" Councilwoman T. Dianne Bellamy-

Small said.

Residents, including Councilman Jim Kee, have fought to improve the dilapidated shopping plaza for more than a decade.

The city bought the plaza and built its new McGirt-Horton Library there. Save-A-Lot also plans to put a store there — the first national grocery chain to move to the plaza since Winn-Dixie left.

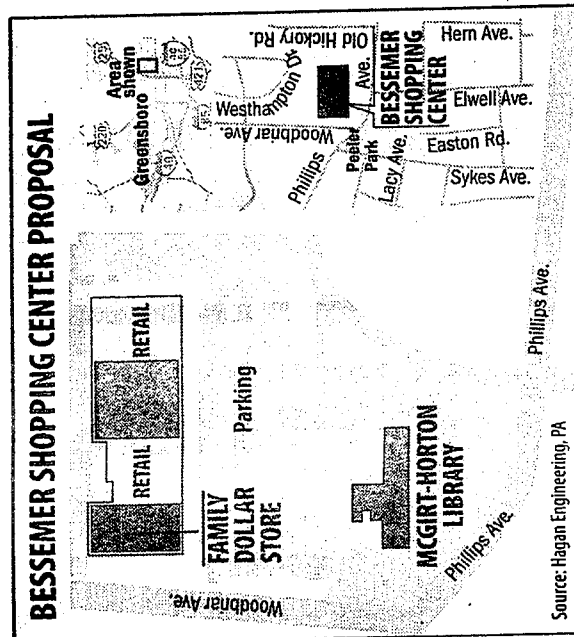
The plaza needs to be renovated before Save-A-Lot can move in.

The city chose New Bessemer Associates, a company consisting of Beacon Management and Carolina Healthcare Initiatives, to handle the redevelopment.

The city will provide the loan after the company has agreements to fill 75 percent of the plaza space. The company also will seek a \$1 million private loan to do the project.

Councilwoman Trudy Wade was the only dissenter in the 7-1

See Bessemer, Page A4



MARGARET BAXTER/News & Record

Bessemer

Continued from Page A1

vote. Councilman Danny Thompson asked to be recused from the vote due to potential future business dealings with Beacon Management.

Wade was concerned the company might not be able to repay the loan. She also took issue with the fact that the total amount of the city's loan was not clear Tuesday. The city does not yet have an appraisal of the property.

City staff members said the loan is risky.

The city would be the second lien holder, meaning the bank would get paid first if the project failed. And the city already has more than \$1 million invested in the property in redevelopment work done there so far.

"It's in a hard-to-develop area," City Manager Ra-

shad Young said. "Council has to make a decision about what level of risk they are willing to accept to move forward."

In other news Tuesday, the council approved a \$160,400 economic incentive grant to Coilplus, which plans an \$11.6 million expansion to its plant on Chimney Rock Road. The company plans to hire 22 new employees with an average salary of about \$37,800.

Coilplus, which makes steel products, has locations in eight states. It is owned by Metal One, which is owned by Mitsubishi and Sojitz Corp.

The new employees won't be hired until 2015. The incentive will be paid over three years, after the company builds the plant and adds the new jobs.

Contact Amanda Lehmert at 373-7075 or amanda.lehmert@news-record.com

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Mayor Perkins announced that Council would adjourn to closed session.

Mayor Pro-Tem Johnson made a motion to move that we adjourn to closed session: (1) to prevent the disclosure of information that is made confidential by North Carolina General Statutes Chapter 160A, Section 168; and (2) to consider the performance of an employee.” Attorney-Client Closed Session Related to Item 28: I also move to go into closed session pursuant to N.C.G.S. Section 143-318.11(a)(3) to consult with an attorney employed or retained by the City Council in order to preserve the attorney-client privilege between the attorney and the City Council in order to consider and give instructions to an attorney concerning the handling or settlement of a claim or administrative procedure. The Council cannot consider or vote on any motions in closed session. Any personnel action, such as a pay raise, must be considered and voted on in open session.

Council adjourned to closed session at 7:35 p.m.

.....

Council reconvened from closed session at 9:21 p.m. with all members in attendance.

.....

Mayor Perkins deferred to Councilmember Kee to introduce the resolution approving redirection of \$685,000 for site and façade improvements and signage for the Bessemer Center, renaming the Center Renaissance Center, and authorizing the City Manager to continue to proceed with upgrading the site and façade and installing signage.

City Manager Roth referenced various discussions regarding the Bessemer Center; stated that the item would allow staff to start activities that had been discussed among community members; that specific costs and contracts would be brought back to Council for authorization; that the item would authorize use that had not previously been designated; and deferred to staff member Barbara Harris regarding a community meeting.

Barbara Harris, Planning and Community Development, spoke to a meeting of Concerned Citizens of Northeast Greensboro; and stated that there was a new potential development project that had not originated with or involved staff.

Councilmember Kee spoke to the new development; stated he had been working with Guilford County Commissioner Skip Alston; that Mr. Alston had put together a development team that intended to invest in the shopping center; that the proposal should be available within thirty-days for Council’s review; and spoke to continuing with the proposed upgrades.

Councilmember Matheny expressed a desire to continue with the process of upgrading the façade; expressed concern that within thirty-days there could be a potential new partner who would move forward with construction; stated he supported the city manager moving ahead with funding to begin negotiations; and expressed apprehension regarding how to proceed.

Mayor Perkins offered a suggestion; confirmed that improvements in the \$685,000 item had not yet been designed; that to move forward with the project, it would be necessary to have design and specifications prior to issuing a bid; and that there was time to evaluate the potential proposal referenced by Councilmember Kee.

Councilmember Kee stated that there were unavoidable repairs to the center that needed to proceed regardless if the proposal was accepted or not.

Mayor Pro-Tem Johnson made a motion to adopt the resolution. Councilmember Abuzuaiter seconded the motion.

Councilmember Bellamy-Small requested additional information regarding the role of East Market Street Redevelopment Corporation; and questioned the process that was being used for development.

City Manager Roth stated that staff had not participated in discussions with the private developer; could not comment on the potential proposal from Alton and others; stated that the funding structure for the center's redevelopment would be held for a private developer that East Market Street would help attract; and stated that the item tonight was to start work while still trying to attract a developer.

Councilmember Kee responded that the City had contracted with East Market Street to be lead agent for redevelopment and that the contract had expired; and stated the City was willing to work with any developer that intended to redevelop the shopping center as the citizens had been requesting for fifteen years.

Councilmember Bellamy-Small addressed the City Manager; requested staff remain involved with the funding request and inquired where management was in the process.

City Manager Roth responded that if the private developer wanted to work with the City, both parties would be part of the process; that specifics and negotiated efforts would be shared with Council; and confirmed that the City owned the building.

Mayor Perkins inquired if staff had to publish a request for proposal; reiterated that the ultimate owner of the shopping center would be privately held; and inquired about the property's transfer of ownership and associated bid process in a sole source contract.

City Attorney Shah-Khan responded that property disposal required a state mandated process as well as according to regulations within the City Charter; and deferred to Dyan Arkin, Planning and Community Development.

Ms. Arkin stated there was a developer selected to participate in the process of putting together a plan; there was no contract with the developer; if the developer was selected to purchase property and move forward, the developer would be required to conduct a bid process; referenced Community Development Block Grant funds that had been put into the project; and stated that a transparent process consisting of public hearings would be required.

Mayor Perkins summarized the status of the project.

Councilmember Bellamy-Small requested an inventory of cost estimates for repairs; and inquired about which party was leading the project.

City Manager Roth responded that staff was compiling a construction inventory with cost repair estimates; that an RFP process was conducted prior to East Market Street Development Corporation was hired; and that it was imperative that staff find out what had been put on the table prior to moving forward.

Ms. Arkin confirmed that the New Bessemer Associates Development Group was the sole respondent with interest to redevelop the shopping center.

Councilmember Kee inquired about development history of the parcel in 2009; stated that the redevelopment had been a fifteen-year process; encouraged Council to hear about the proposal from the developer; and reiterated that the item involved reallocating funds to upgrade the façade.

Councilmember Abuzuaiter requested confirmation of the item for voting as was listed on the sheet.

Councilmember Bellamy-Small requested that the City Manager clarify the role of East Market Street Development Corporation in the redevelopment process.

Mayor Perkins stated there were speakers to the item.

Leo Steward, 4203 Kildare Drive, spoke to efforts to encourage commerce at the shopping center in the form of a food cooperative.

Edward Whitfield, 709 Park Avenue, requested that funds be redirected for the façade upgrade to be utilized to promote the food cooperative; and supported a business that meets the community's needs.

O.W. Sweeney, 1925 Taylor Street, spoke to development in East Greensboro; and encouraged Council to support multiple parcels for development.

Tony Davies, 2114 Pebble Drive, stated that he listened to the proposal by Mr. Alston; and encouraged Council to evaluate any good proposal that came forward.

Vernon Powell, 103 Elmwood Terrace, responded to questions by Council regarding lead agent selection; stated that an RFP went out to select a lead agent in order to select a developer; that East Market Street Development Corporation engaged Mr. Powell's company to serve in his current capacity to submit a proposal for the redevelopment of the Center; confirmed that there was no contractual relationship with the City as lead developer of the Center; and stated his company had presented a plan for private ownership to Council and that it had been approved.

Councilmember Bellamy-Small expressed her concerns about the legality of the development process; inquired who was responsible for what; that Council was being asked to move forward; and requested clarification on the process.

Councilmember Matheny requested that the funds be unencumbered; that the funding had been allocated; and requested the Manager to come back to Council with options.

Councilmember Abuzuaiter requested clarification on the content of the item.

The resolution was adopted on the following roll call vote: Ayes: Abuzuaiter, Bellamy-Small, Hoffmann, Johnson, Kee, Matheny, Perkins, Vaughan and Wilkins. Noes: None.

333-12 RESOLUTION APPROVING REDIRECTION OF \$685,000 FOR SITE AND FAÇADE IMPROVEMENTS AND SIGNAGE FOR THE BESSEMER CENTER, RENAMING THE CENTER, RENAISSANCE CENTER, AND AUTHORIZING THE CITY MANAGER TO CONTINUE TO PROCEED WITH UPGRADING THE SITE AND FAÇADE AND INSTALLING SIGNAGE

WHEREAS, at the November 1, 2011 meeting Council approved a \$685,000 economic development loan to New Bessemer Associates, LLC for redevelopment of the Bessemer Shopping Center;

WHEREAS, sources of the funds for the loan were \$285,000 – Redevelopment Bonds Funds, \$300,000 – Economic Development Bond Funds, and \$100,000 – Community Development Block Grant Funds;

WHEREAS, at this time Department of Planning and Community Development would like to proceed with upgrading the site and façade, installing signage and renaming the center to stimulate interest from prospective tenants and reengaging the community;

WHEREAS, funds were previously approved for this purpose and are available for use with a final cost to be determined through the bid process;

WHEREAS, additional funding requests will be brought before Council if necessary at that time.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That, the redirection of \$685,000 for site and façade improvements and signage for the Bessemer Center and renaming the Center Renaissance Center are hereby approved, and the City Manager is authorized to continue to proceed with upgrading the site and façade and installing signage.

(Signed) Yvonne Johnson

.....

Mayor Perkins stated that there would be a vote on an action item originating from the closed session.

EXHIBIT B

- 1. SAV-A-LOT LOI**
- 2. EMAIL FROM FOOD LION**
- 3. TERM SHEET TO TAPMED**



10000 W. Highway 100
Greensboro, NC 27409
734.369.4509
www.savealot.com

MIKE KORMELINK
REAL ESTATE MAANGER
314.369.4509
Mike.Kormelink@supervalu.com

August 22, 2011

Vernon Powell – Sabre Capital
Mac Simms – East Market St Development Corporation
Dyan Arkin – City of Greensboro

RE: LETTER OF INTENT
Property located at Bessemer Shopping Center, A portion of the former Winn Dixie space

Dear xxx:

This letter outlines the terms and conditions under which Moran Foods, Inc., a Missouri corporation, d/b/a Save-A-Lot, Ltd. ("Lessee") and a proposed entity, a public-private partnership between the City of Greensboro and East Market Development Company ("Lessor"), evidence their respective intentions to negotiate a definitive Lease for the Leased Premises.

LEASED PREMISES:
Shopping Center (name): Bessemer Shopping Center (May or may not be renamed)
Shopping Center ground-floor gross leaseable area: Approximately 44,000 square feet
Street Address of Leased Premises: Phillips & Woodbriar, Greensboro NC
Square Footage of Leased Premises: 15,967
(to be measured from the inside of one wall to the inside of the other wall, exclusive of loading dock and receiving areas)
Location of Leased Premises in the Shopping Center is depicted on **Exhibit A**.

TERM:
Initial Term: Five (5) years
Option Terms: Four (4) five-year renewal options

COMMENCEMENT DATE:
The Commencement Date for payment of rent and all obligations under the Lease will be the earlier of: (a) the day Lessee opens for business or (b) 120 days after the acceptance of possession of the Leased Premises with Lessor's work complete (see "**LESSOR'S WORK**").

BASE RENT:
Initial Term: \$78,000 (Annually)
First Option Term: \$83,460 (Annually)
Second Option Term: \$89,300 (Annually)
Third Option Term: \$95,553 (Annually)
Fourth Option Term: \$102,242 (Annually)

LESSOR'S WORK:
On or before the 120th day after execution of the Lease, Lessor shall deliver the Leased Premises to Lessee in accordance with **Exhibit B** (the "LP Work"), in good operating order and repair, free of environmental law violations, and in compliance with all applicable laws.

LESSEE ALLOWANCE: Intentionally deleted.

MAINTENANCE & REPAIRS:

Lessor, at its sole cost without inclusion in CAM charges, shall make all repairs and replacements to:

- (a) the exterior and structural portions of the Leased Premises (including but not limited to, roof, walls and foundation);
- (b) the HVAC system costing \$750.00 or more per incident;
- (c) the utility/plumbing systems to the point they enter the Leased Premises;
- (d) the fire sprinkler system.

In addition, Lessor shall maintain the Common Areas. In the event that Lessor fails to perform its obligations, Lessee shall have self-help rights and the ability to off-set rent.

USE:

The Leased Premises may be used as a supermarket, grocery store or limited assortment food store that may be operated 24 hours, including (a) the retail sale of general merchandise (at a single price point or otherwise), alcohol, tobacco products, and lottery tickets (to the extent permitted by law); and (b) the operation of a financial services department (i.e. check cashing, money orders, bill pay and money wires), floral department, pharmacy department and video rental department (collectively, the "Intended Use") or for any other lawful purpose not in conflict with an exclusive use currently granted in the Shopping Center.

Lessee shall also have use of the walkways adjacent to the Leased Premises for storage of shopping carts and shall be permitted to install a cart theft deterrence system in the parking lot.

CONTINUOUS OPERATION:

Lessee shall not be required to continuously operate and shall have the right to close its store at any time; however, Lessor shall have the right of recapture if Lessee "goes dark" for a period in excess of six (6) months.

EXCLUSIVE USE:

Lessee shall have Shopping Center exclusives on the sale of grocery and food items, excepting only existing tenants, restaurants and incidental food sales (not more than 150 linear feet which shall not include the sale of fresh produce or meats). At the time this letter of intent is signed, Lessor will provide copies of all exclusive uses currently granted in the Shopping Center.

PROHIBITED USES:

The Lease shall prohibit certain noxious and morally objectionable uses, as well as uses with high parking demands (to be negotiated in Lease).

SIGNAGE/ELEVATIONS:

Lessee to provide its sign criteria for fascia and pylon/monument sign(s) during Lease negotiations. Approved sign criteria shall be attached as an exhibit to the Lease. Lessee shall have the right to take the top position on the existing (or any future) Shopping Center pylon or monument sign.

Lessor shall improve the storefront of the building and provide front elevations for the shopping center, which shall be mutually agreeable to Lessor and Lessee. The elevations shall be attached as an exhibit to the Lease.

COMMON AREA:

Lessor shall improve the common parking area for the shopping center, which shall be mutually agreeable to Lessor and Lessee. A site plan detailing common area improvements shall be attached as an exhibit to the Lease.

URRENDER:

Lessee shall not be required to remove any alterations, additions or improvements when it vacates the Leased Premises.

LESSEE MAY SELF-INSURE: Lessee shall have the right to self insure all of its insurance obligations under the Lease, so long as Lessee maintains a net worth of at least \$50,000,000 as certified by a financial officer of Lessee's parent company.

ADDITIONAL RENT: Lessee shall pay its Pro Rata share of (a) general real estate taxes, (b) insurance, and (c) CAM charges on the Shopping Center. "Pro rata share" shall mean the ratio of the ground floor area of the Leased Premises to the total floor area of all buildings in the Shopping Center.

TAXES: General Real Estate Taxes / square foot: \$ _____
(Based on most recent bill)

INSURANCE: Insurance Premiums / square foot: \$ _____
(Based on most recent bill)

CAM: CAM Charges / square foot: \$ _____
(Based on most recent bill)

CAM charges shall not include overhead charges, administrative costs, management fees, capital expenditures, reserves, or any repair and maintenance costs associated with any portion of the Leased Premises or any portion of the Shopping Center other than the Common Areas. During the first year the CAM charges shall not exceed \$1.00 per sq. ft. and shall not increase more than 3% per year during the term of the Lease, on a non-cumulative basis.

ASSIGNMENT / SUBLETTING: Lessee shall have the absolute right, without obtaining Lessor's consent, to assign or sublet the Lease to a "Save-A-Lot" licensee, an affiliated company, or in connection with a merger or acquisition.

Lessor further acknowledges and agrees that Moran Foods, Inc. may assign its rights under this letter of intent to a qualified "Save-A-Lot" licensee for the purpose of operating a Save-A-Lot retail grocery store at the Leased Premises. Typically, a qualified Save-A-Lot licensee has previous business experience, a solid personal financial history, cash liquidity of \$300,000 and a net worth of at least \$1,000,000. In the event Moran Foods, Inc. assigns this letter of intent to a qualified "Save-A-Lot" licensee, Lessor will look solely to such licensee for performance of all obligations, if any, of the "Lessee" under this Letter of Intent and further acknowledges and agrees that Moran Foods, Inc. will not be a party to any final lease agreement or a guarantor thereof.

DUE DILIGENCE / ENVIRONMENTAL MATTERS: Lessee shall have the right to conduct such inspections, title review and environmental site assessments of the Leased Premises and the Shopping Center as Lessee shall desire. The Lease shall provide that Lessor indemnify and hold harmless Lessee from and against any and all claims, damages and liabilities resulting from any environmental release, remediation or condition on or about the Leased Premises/Shopping Center and the existence of any hazardous materials thereon not caused by Lessee.

BROKER COMMISSIONS: Lessee shall be responsible for all broker's fees payable to its agent, The Shopping Center Group LLC, per a separate agreement between the two parties.

Notwithstanding the foregoing, Lessor shall pay all broker's fees in connection with the negotiation or execution of the Lease and agrees to defend, indemnify and save Lessee harmless therefrom.

CONTINGENCIES:

The Lease will contain contingencies for:

- (a) Permits - Lessee must be able to obtain all permits (90 days from Lease signing).
- (b) Title & Environmental – Lessee must be satisfied with title and environmental condition (30 days from Lease signing; but may be waived before Lease execution if due diligence completed).

LESSEE APPROVALS:

Lessor acknowledges that the transaction contemplated by this Letter of Intent is subject to final approval by Lessee's Capital Committee and parent company (in exercise of their sole discretion).

LEASE FORM:

Lessee shall prepare the initial draft of the Lease utilizing Lessee's Lease form after receipt of the "LEASE PREPARATION INFO".

NON-BINDING:

This letter sets forth general terms and conditions that may form the basis of a Lease between the parties. Lessor and Lessee agree that (except for the "Binding Provisions" set forth below) this letter is intended to be non-binding, that there are other essential terms which are subject to negotiation, that no contract or agreement shall be deemed to exist until a definitive Lease is executed, and that either party shall have the right to terminate this letter of intent at its election.

BINDING PROVISION - EXCLUSIVE NEGOTIATION PERIOD

Notwithstanding the foregoing non-binding provisions, in return for Lessee allocating resources to this project (including expending time and money to investigate leasing the Leased Premises) and negotiating in good-faith with Lessor, Lessor agrees that for a period of 90 days following the date of execution of this letter by Lessor or the same is delivered to Lessee, Lessor will work exclusively with Lessee with respect to leasing the Leased Premises. It is agreed that this provision is binding between the parties.

[LEASE PREPARATION INFO / SIGNATURE PAGE follows]

LEASE PREPARATION INFO:

Name and address of party to **receive rent** and/or **receive notices** (if different):

Name: _____
Address: _____

Name, address, telephone number and email address of **Lessor's attorney**:

Name: _____
Address: _____
Telephone: _____
Email: _____

Party or parties to receive initial draft of Lease (please list):

Attorney _____

Please indicate if the following are attached:

If "NO", indicate date it will be provided

Environmental Reports (e.g. Phase I, Phase II or Asbestos Survey)

☐ Yes | ☐ No: _____

Legal Description (and any Title Commitment, regardless of age)

☐ Yes | ☐ No: _____

Site Plan

☐ Yes | ☐ No: _____

HVAC Records (for any existing HVAC units that are to remain)

☐ Yes | ☐ No: _____

Copies of **Exclusive Uses / Use Restrictions** of other tenants

☐ Yes | ☐ No: _____

Completed IRS Form **W-9** (attached as **Exhibit C**)

☐ Yes | ☐ No: _____

NOTE: Lessee must have these items before preparing initial Lease draft.

LESSOR

LESSEE

XXXX

MORAN FOODS, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date executed by Lessor: _____

Date executed by Lessee: _____

EXHIBIT A

SITE PLAN OF SHOPPING CENTER DEPICTING LOCATION OF LEASED PREMISES

EXHIBIT B

LESSOR'S WORK
(a/k/a "LP Work")

Lessor, at its sole cost and expenses, shall perform or cause to be performed the following with regard to the Leased Premises and Shopping Center prior to delivery of the Leased Premises to Lessor:

1. GENERAL REQUIREMENTS.

- (a) **UTILITIES.** All utilities shall be furnished to the Leased Premises and shall be in good operating order with appropriate capacity and shall be separately metered or sub-metered. Lessee shall not be responsible for the cost of any utility tap fees, cost of meter installation or any other cost which may be levied by a utility provider other than those charges specifically related to the Lessee's consumption of such utility; all such costs shall be the sole responsibility of the Lessor.
- (b) **COMPLIANCE.** The Leased Premises shall be in broom-clean condition and with the roof, floor, exterior walls, mechanical systems, heating, ventilating and air-conditioning systems, utilities, electrical systems, plumbing systems, sewer systems and all other systems and facilities servicing the Leased Premises in good operating order and condition and in compliance with all applicable governmental laws, ordinances, regulations, codes and requirements, including without limitation, state and local building codes and zoning codes, and all applicable fire protection requirements and all requirements of the fire marshal. All construction shall meet ADA, EPA, OSHA and Health Department rules and regulations currently in effect, as well as any state and local code requirements.
- (c) **ENVIRONMENTAL.** Lessor covenants that the Leased Premises are free from asbestos and other hazardous substances and gases, and to the extent not, Lessor shall remove (according to all applicable laws) any such asbestos and other hazardous substances and gases prior to delivery of the Leased Premises to Lessee.
- (d) **STRUCTURAL.** Lessor shall be responsible for correcting at its sole cost and expense any and all structural defects or conditions with the Leased Premises and the building containing it as may be discovered during the build-out of the Leased Premises. Said costs shall include a registered engineer and /or architect providing signed/sealed plans, required permits and cost of repair to cure defect.

2. SPECIFIC REQUIREMENTS – INTERIOR.

- (a) **ELECTRIC SERVICE.** Lessor to provide existing electrical service consisting 277/480 volt, 3-phase, 4 wire, 2000 amp service and panels, including breakers and outlets, with main disconnect located in their existing location. Any existing panels not fully operational or not being utilized shall be removed prior to delivery. Lessor shall ensure electrical service meets all applicable codes and utility provider requirements prior to delivery and that same is in good operating order and condition.

Lessor to complete all separation/demolition of electrical required in conjunction with any demising of the space.
- (b) **HVAC.** Lessor to provide new HVAC units (the greater of 25 tons or to that amount which code requires). The units shall be "Trane" units per the Lessee's criteria

specs as follows: two (2) five (5) ton and two (2) seven and one-half (7 1/2) ton HVAC systems with ductwork, thermostats, diffusers and hook-up (including all necessary circuitry and wiring from HVAC units to main disconnect at panel) per Lessee plans and specifications. All units/components shall be new; not re-conditioned or remanufactured, and shall be covered by manufacturer's warranty for parts and labor. Per the criteria spec sheets attached one unit shall include hot gas dehumidification. System shall be balanced and configured to operate independently of any refrigeration systems currently installed or to-be installed by Lessee during initial build-out. System to utilize concentric units where possible. Existing ductwork may be utilized if Lessor desires.

Lessor to complete all separation/demolition of existing HVAC system required in conjunction with any demising of the space.

(c) FLOORING.

Lessor shall remove all existing floor coverings, mastic or adhesive and repair any damage caused by this removal, repair any defects in the floor to place the floor in good condition ready to accommodate new VCT floor covering or concrete polishing. Lessor shall use cementitious patching material, as opposed to latex patching material.

Lessor to remove all hazardous materials related to the existing floor coverings and mastic.

(d) RESTROOMS.

Lessor to provide two (2) ADA-compliant restrooms in existing location per local and state codes. Restrooms to have finishes and fixtures as follows: handicap rails, sink, mirrors, soap dispensers, hand dryers, ceiling lights, exhaust fans, floor drains, drinking fountain and water closets; walls to be finished with new Fiberglass Reinforced Plastic ("FRP") panels; stalls with metal doors, privacy lockset and self-closure. All drainage lines from restroom fixtures to sewerage system shall contain no leaks (above or below ground) and shall be free flowing. Restrooms to have a metal door and frame.

Lessor to provide new stalls, with privacy lockset and self-closure; and repair existing ceramic tile.

(e) CEILING.

Lessor to provide existing suspended ceiling system; provided Lessor shall replace all acoustical ceiling tiles with new Armstrong® tiles (per the attached criteria spec sheets) and shall repair grid system as necessary and repaint same per Lessee's paint specifications from the criteria spec sheet. Ceiling tiles and grid system shall be of uniform patterns and white in color, and on a single level. Suspended ceiling system shall accommodate Interior Lighting as specified below.

(f) INTERIOR LIGHTING.

Lessor to provide new lighting system in sales floor area comprised of one 8-foot, T8, 4 bulb fixture per 80 sq. ft. of sales floor on 10ft. centers, and new lighting system in receiving and storages areas comprised of one 8-foot, T8, 4 bulb fixture per 120 sq. ft. of floor area. Each fixture shall have working circuits sufficient for proper operation. New fixtures and lamps per the attached criteria spec sheets.

(g) DEMOLITION.

Lessor to remove any existing interior walls, partitions and associated electrical and plumbing to accommodate Lessee's fixture plan (to be provided). Lessor to remove and dispose of any existing fixtures, shelving or other property from previous tenant unless otherwise specified in writing by Lessee.

- (h) **DEMISING WALL.** (TBD) Lessor to construct demising wall per Lessee's fixture plan (to be provided) and in accordance with state and local code requirements. Demising wall shall contain drywall extending to the bottom of the roof structure; drywall surface to be taped and sanded with one coat of primer.
- (i) **FIRE SPRINKLER.** If required by code or order of fire marshal or any agency having jurisdiction, Lessor shall provide a fully functional automatic fire sprinkler system above and below the ceiling, with riser, monitoring panel, and alarm system; all in accordance with state and local code requirements. Lessor shall reconfigure or relocate system per Lessee's fixture plan (to be provided). Regardless of whether the riser is located within the Leased Premises, Lessor shall be responsible for monitoring costs and ongoing repair and replacement of associated equipment of the riser and alarm system.

Lessor to be responsible for all adjustments to existing fire sprinkler system related to the construction of a new demising wall.

- (j) **SERVICE / FIRE DOORS.** Lessor to provide existing coiling service door and existing fire exit door; both in present locations. Existing coiling door shall meet minimum dimension requirements (must be \geq six feet wide and \geq 8 feet high) and shall be watertight, contain functional locks and be in good working order and condition. Existing fire exit door shall be watertight and Lessor shall replace closers, sweeps, and alarmed panic hardware, and said door shall be for the exclusive use of the Leased Premises (not be shared by any other premises). The canopy above the existing receiving door shall be provided in good working order and condition.

If required by code, Lessor shall be responsible for the creation of a corridor providing direct access to an emergency exit. Corridor to be located per Lessee's fixture plan.

3. SPECIFIC REQUIREMENTS – EXTERIOR.

The exterior plans (façade, signage, parking lot, landscaping) will be mutually agreeable to Lessor and Lessee.

- (a) **PARKING LOT.** Lessor shall patch and repair all potholes and cracks, remove any depressions causing standing water in the parking field and drive aisles, repair or replace any cracked or damaged parking lot curbing (including curbing around landscaping islands and sidewalk curbing); and reseal the parking surface and drive aisles and restripe the parking field prior to delivery of the Leased Premises to Lessee. All striping shall be in accordance with applicable code. All sealing and striping material per the attached site design criteria spec sheet.
- (b) **RECEIVING DOCK** Lessor shall provide a minimum of 10' wide by 50' long truck trailer loading dock area adjacent to loading platform or door with 0% cross slope and maximum 1% grade. Lessor to provide existing dock to be in good working order with operational "edge of dock" or "load leveler".
- (c) **PARKING LOT LIGHTING.** Lessor shall provide exterior lighting in the parking areas in good operating order and condition. The lighting source is to be Metal Halide or LED. Fixtures should be a cutoff type luminaire. Subject to applicable code, the drive aisle immediately in the front of the Leased Premises shall maintain a 10 foot candle average; (4:1 avg:min and 6:1 max:min ratio) the parking field in front of the Leased Premises shall maintain a 5 foot candle average; and no area shall have lighting less than a 2 foot candle minimum. At the request of Lessee,

Lessor shall cause a photometric study of the parking lot lighting to be performed measuring the current light levels. Lessor shall include on the exterior lighting wall pack units above the receiving overhead door and all fire exits.

(d) ROOF.

Lessor shall deliver the roof / roof membrane in watertight condition, without need of repair and with an expected remaining life of at least the initial lease term. Lessor shall either perform all Lessee's roof penetrations or provide Lessee with the name and contact information of Lessor's preferred roofer that can perform such penetrations without jeopardizing any applicable roof warranty. Lessee agrees to use such roofing contractor for any such penetrations. Lessor shall also provide Lessee the name and contact information for the contractor who maintains the roof.

(e) LANDSCAPING.

Any deferred maintenance required of the landscaping or associated irrigation systems in front of or adjacent to the Leased Premises shall be performed prior to delivery of the Leased Premises to Lessee. Additionally, Lessor shall be responsible at its sole cost and expense for performing any additional and reasonable landscaping requirements mandated by any agency having jurisdiction in conjunction with Lessee obtaining any use, occupancy, construction or other permit.

(f) STORE FRONT.

Lessor to provide two sets of two (2), individual automatic doors, new from manufacturer (not reconditioned or remanufactured) covered by manufacturer's warranty and in good working order and condition per the attached criteria spec sheets.

(g) FASCIA.

Lessor to provide existing front fascia. Fascia shall contain sufficient area to support Lessee's signage requirements (to be provided during Lease negotiation), shall be free of any previous signage or any indication of previous signage. All holes, cracks or damage shall be repaired, and the surface shall be repainted. If any type of canopy is attached to, or a part of the Leased Premises, Lessor shall ensure the same is in good order and repair and free of leaks. Any lighting presently contained in or on such canopy shall be in good working condition and maintained by Lessor during the duration of the Lease. The front exterior plans will be mutually agreeable to the Lessor and Lessee.

(h) CONCRETE RAMP.

Lessor to provide a concrete ADA-compliant pedestrian/cart ramp at the front entrance from the Leased Premises to the parking lot. Ramp shall be no less than 12 ft in width and shall meet all applicable codes.

4. MISCELLANEOUS ITEMS.

Lessor to provide:

- Dumpster enclosure (if required by code)
- New pylon or monument sign and associated electrical
- Infill the area where previous tenant stored a scissor lift in the stockroom
- Existing mop sink in good working order and condition
- Strip lighting in the existing (or any modified/new) exterior canopy above the sidewalk
- Wall mounted lighting in the receiving area and back wall of the Leased Premises, as well as all exit doors

****END EXHIBIT B****

EXHIBIT C

IRS FORM W-9

IRS FORM W-9 attached
(instructions available at www.irs.gov)

Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶
☐ Other (see instructions) ▶

☐ Exempt
payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign
Here

Signature of
U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity.

Subject: Bessemer Center / Greensboro, NC

Date: Wednesday, October 17, 2012 8:20 AM

From: Stephen Wilson <sdwilson@foodlion.com>

To: Vernon Powell <powell@sabrecapital.com>

Vernon:

Food Lion is still working on getting market data for analysis of the site in east Greensboro. Preliminary work has been done but a more formal market study has not been performed yet. Per our past and recent conversations we still have an interest in this location. A determination regarding the viability of this site is not possible until the study is completed and further discussions with our executive team. I anticipate the timeline for this process to be complete no later than the 2nd quarter of 2013.

Steve Wilson

Real Estate Representative

Delhaize America, LLC

2110 Executive Drive

Salisbury, NC 28145-1330

T: 704-633-8250 X3095

F: 704-645-2429

E: SDWilson@FoodLion.com <mailto:SDWilson@FoodLion.com>

W: www.delhaizegroup.com <http://www.delhaizegroup.com/>

NEW BESSEMER ASSOCIATES

2100-D WEST CORNWALLIS DRIVE

GREENSBORO, NC 27408

January 9, 2012

Mr. Chester Brown
Chairman of the Board
Triad Adult and Pediatric Medicine
440 West Market St.
Greensboro, NC 27401

Dear Chester:

On behalf of Carr-Powell Properties, LLC, I am pleased to submit the following proposal to the Board of Directors and Management of Triad Adult and Pediatric Medicine for consideration of a lease for approximately 10,000 s/f of space in the to be renovated Bessemer Center, a re-development proposed between the City of Greensboro and Carr-Powell Properties, LLC. The center is situated on a 5.35 acre tract, improved by a strip shopping center of approximately 45,647 S/F NLA and approximately 236 parking spaces. The current tenant is Family Dollar Stores with approximately 9,920 S/F and a Letter of Intent has been received from Sav-A-Lot Grocery Stores to lease approximately 15,000 S/F of space. (Such LOI has been "put on hold") but conversations are in place with ALDI's, Bi Lo, and Bottom Dollar (Food Lion). In addition the City of Greensboro has issued a Letter of Intent to lease parking spaces to accommodate overflow parking at the McGirt Horton Library which is adjacent to the site. Carr-Powell Properties, LLC and The City of Greensboro would like very much to have TAPM as one of our valued tenants and hope the following terms and conditions will be acceptable to you and your Management and Board (and Cone Health).

With this introduction, The Developer proposes the following terms and conditions (subject to final approval of construction costs and tenant improvements):

1. **Landlord:** New Bessemer Associates or assigns

The members of New Bessemer Associates are developing the property located at 2501-2523 Phillips Ave, Greensboro, Guilford County, NC.
2. **Premises:** Approximately 9,300 S/F of corner space with covered receiving canopy. Location of Leased Premises in the

Shopping Center is depicted on Exhibit A.

3. **Building:** An approximately 45,647 S/F renovated strip Shopping Center consisting of 4-5 bays. Renovation time "TBD". The listed addresses of the Center are 2501 --- 2523 Phillips Ave, Greensboro, NC
4. **Footage:** Approximately 9,300 square feet.
5. **Initial Lease Term:** 10 Years commencing within thirty days of completion of building renovation and tenant improvements and obtainment of Certificate of Occupancy.
6. **Option:** 10 Year Lease extension option
7. **Base Rent:** \$11.00 per square foot.
8. **TICAM** Tenant shall pay to Landlord its proportionate share of the actual real estate operating expenses for the Center which are estimated to be approximately Two Dollars and 40/100 Dollars (\$2.40) per square foot for the first year of the Lease. Operating Expenses include landscape Maintenance, parking lot sweeping, snow removal, and additional common area maintenance (CAM), heating/air annual maintenance agreements, Property insurance including general liability insurance, and Real Estate Taxes. Actual TICAM charges and escalations shall be further defined in final Lease document. It is estimated that Tenant's proportionate share of these expenses will be approximately 21%.
9. **Tenant Improvements:** Landlord will provide a "vanilla box" with all services for tenant to custom fit to their respective use. Landlord will also provide their General Contractor to bid on the improvements to be completed during the same time frame as the building.
10. **Common Area:** Lessor shall improve the common areas and parking areas during the renovation of the Center. A site plan detailing common area improvements shall be attached as an exhibit to the lease.

11. **Parking:** The strip center will have approximately 236 dedicated parking spaces available to Tenants and Customers which are free and unassigned.
11. **Signage:** Landlord shall provide Tenant with a single line listing in the Tenant Directories and interior Floor Signage at no charge. Exterior Building Signage will be negotiated and will be at Tenant's expense and subject to existing zoning guidelines and to Landlord's approval.
12. **Naming Rights:** Center may be renamed upon completion of renovation and there are currently no naming rights being offered.
13. **Purchase Option:** None
14. **Management:** The Building will be managed by Sabre Management in Greensboro, NC under a standard Management Contract.
15. **Commissions:** Landlord and/or Owner may be obligated to pay a standard commission to a licensed procuring brokerage firm for the delivery and acceptance of a fully executed Lease Agreement.

New Bessemer Associates **AND** The City of Greensboro is hopeful that the above non-binding terms and conditions will be acceptable to TAPM and looks forward to a favorable response on or before January 31, 2012 at which time a formal and binding lease will be negotiated and finalized.

Landlord and Tenant will only be bound by a written Lease or Purchase Agreement that is properly executed by authorized representatives of Tenant and Landlord. No proposal, counter-proposal, letter, or oral statement will be construed as a binding lease.

We appreciate this opportunity to share this exciting opportunity with TAPM. Please feel free to contact me at any time to discuss this newest addition to the Greensboro retail community.

Kind Regards:

New Bessemer Associates

EXHIBIT C

1. CONCEPTUAL CONSTRUCTION BUDGET

**Bessemer Shopping Center Revitalization
 Conceptual Budget
 December 27, 2012**

Item	Description	Costs	
General Description	Interior, exterior, and site renovations to an existing 45,000 square foot retail center		
Plans	Design not included		
Supervision	20 weeks of supervision at \$3,600 / week to include on-site superintendent, office based project manager, security, safety, and general supervision.	\$	72,000
Reimburseables	Job specific costs of rental equipment, clean up, dumpster pulls, etc.	\$	20,397
Permits	City of Greensboro Building Permit included.	\$	4,000
Site Demo	Demo of existing paving and curb and gutter.	\$	55,000
Curb & Gutter	Installation of 1,500 LF of 24" curb and gutter (includes four small islands).	\$	18,750
Light Duty Asphalt	Provide approximately 7,700 SY of 2" type 9.5B surface asphalt in light traffic areas.	\$	92,280
Heavy Duty Asphalt	Provide approximately 6,100 SY of 2" type 19.0B binder asphalt and 1" type 9.5B surface asphalt in heavy traffic areas.	\$	119,808
Striping and Signage	Asphalt striping and signage as required	\$	4,000
Dumpster Pads	Include four (4) 8" 4,000 PSI dumpster pads per Site Plan	\$	13,950
Storm Drainage Repair	Allowance for repair of one (1) existing curb inlet	\$	5,000
Fence	Provide 1,000 LF of 8' coated chain link fence	\$	24,000
Landscaping	Allowance until final Landscape Plan is provided (includes planters and monument sign)	\$	75,000
Selective Demo	Demolition of existing veneer and metal roofing.	\$	49,500
Concrete Foundations	Reinforced concrete foundations for new veneer towers	\$	20,000
Conventional Steel	Supply and erection of steel required to support new veneer towers.	\$	40,000
Exterior Framing, Sheathing, and EIFS	Framing, sheathing, and EIFS veneer for new higher parapet wall.	\$	50,000
Exterior Soffit	Approximately 2,000 SF of exterior soffits	\$	17,920

Masonry	Removal and replacement of existing masonry on front and both end walls. Brick included at \$400/M purchase allowance.	\$	128,000
Re-Roof Existing	Demo existing roof and provide a 45 mil mechanically attached TPO roof system with R-30 insulation (does not include existing Family Dollar roof)	\$	245,000
New Roof on Towers	Provide a 45 mil mechanically attached TPO roof system at the new veneer towers.	\$	3,000
Metal Roof	Install approximately 1,600 LF of 24 gauge standing seam metal roof over sidewalks.	\$	7,760
Miscellaneous Flashings	Various flashings against existing Family Dollar roof and new HVAC equipment.	\$	3,000
Drywall & Insulation	Replace sheet rock on exterior walls with existing furring.	\$	46,500
Windows & Glass	Dark bronze aluminum storefront windows and door systems per Conceptual Elevations.	\$	50,100
Paint & Wallcovering	Paint of new interior drywall.	\$	10,000
ACT Ceiling	2' x 2' acoustical tile ceilings throughout	\$	68,000
Restroom Renovations	Provide eight (8) complete ADA handicapped restrooms from existing plumbing services.	\$	60,000
HVAC	Provide approximtely 100 tons of conditioning across eight (8) rooftop HVAC gaspacks with economizers, programmable thermostats, and sheet metal trunk lines with lay-in air distribution.	\$	185,750
Fire Protection	Re-work existing sprinkler system and add new lines and heads in un-protected areas as required.	\$	76,500
Electrical	Prepare for existing electrical demo as required. Provide house panel for veneer light and 800' of directional boring for site lights (by others). Interior to include 180 2'x4' lay-in flourescent lights, HVAC connections, 24 duplex outlets, and emergency/egress lighting and signage as required.	\$	96,352
Contingency	Design and estimating contingency consistent with Preliminary Plans.	\$	100,000
Taxes / Labor Burden / Insurance		\$	21,783
Total Construction Cost		\$	1,829,850
Contractor Fee (OH&P)	10.0%	\$	182,985
Total Budget Price		\$	2,012,835